

March 25, 1975

PRESIDENT: Senator Duis. Does your request for unanimous consent stand.

SENATOR DUIS: Mr. President, I thought I had withdrawn that amendment the other day. Possibly, I hadn't. If that is the case, I will first ask for unanimous consent to withdraw the amendment and then have the bill read.

PRESIDENT: You heard the request. Are there objections. Seeing none, it is so ordered. I will ask again if there are objections to LB 351 being read for the final time. There has been a request for unanimous consent. Are there objections? Seeing none, it is ordered, Mr. Clerk. Please read for the final time LB 351.

CLERK: Engrossed LB 351 introduced by the Miscellaneous Subjects Committee and signed by Senator Anderson, 37th District, Chairman, Senator F. Lewis, 45th District

(Recorder off)

CLERK: Senator Murphy of the 17th District. Read title. LB 302. There are no Committee...there are Committee amendments by Senator Murphy's Banking Committee.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: LB 302 was introduced at the request of the Department of Insurance. As you know, we have had some unfortunate happenings with regard to insurance investments. This bill would limit certain exceptions and in a domestic insurance company investing in any one particular asset more than 5% of its company's admitted assets in order to preclude an unfortunate happening such as we have had, you might cite the Rock Island Railroad. Any insurance company that had in excess of 5% of its assets would have somewhat of a headache. The Department has cited numerous exemptions that are presently in the law that they wish to maintain. These would be such things as real estate which they occupy which they are presently permitted to put 25% of their admitted assets into or a joint venture real estate development in which they are allowed to put 15 into under certain conditions and, of course, most of the obvious substantial investment portfolios such as your government, municipalities, other insurance companies and, of course, loans to their own policy holders in which case they would be relieving themselves of a particular asset loss anyhow. But this is the thrust of the bill. It is to prevent an insurance company from becoming too deeply invested in one particular asset which would jeopardize the interest of policyholders in the event such an asset were to depreciate or to suffer a considerable loss. This is the entire thrust of the bill. The amendments were to include several of the exemptions that are itemized. They are the sections that itemize exemptions. I would move the adoption of the Committee amendments.

PRESIDENT: Any discussion on Senator Murphy's motion? The question is the adoption of the Committee amendments to LB 302. Record your vote. Record, Mr. Clerk.

CLERK: 29 ayes, 0 nays on motion to adopt.

PRESIDENT: The amendments are adopted.

SENATOR MURPHY: I move the bill be advanced.